# THE PUBLIC RELATIONS JOURNAL

OF THE AMERICAN COUNCIL ON PUBLIC RELATIONS



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THE HUMAN MIND AND INDUSTRY'S FUTURE

By CLAUDE ROBINSON

IF IT'S WORTH DOING AT ALL

By GUY BERGHOFF

VOLUME 3 A P R I L NUMBER 4 1947

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#### THE PUBLIC RELATIONS JOURNAL

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# Public Relations

Volume 3

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#### SOME COUNCIL POLICY CHANGES

By REX F. HARLOW

President, American Council on Public Relations

In Response to the numerous recommendations of members of the American Council on Public Relations who responded to my recent letter asking their judgment on certain matters of pressing concern to the Council, the Executive Committee of the Council has decided to modify existing Council policy as follows:

1) Instead of continuing to supply books in the Council-sponsored Harper Series free of charge to members, hereafter these books will be made available for members to purchase at a substantial discount.

The Harper series includes the following titles:

Educational Publicity, by Fine; Government and Business Tomorrow, by Richberg; Public Relations in War and Peace, by Harlow; You and Your Public, by Burnett; How to Conduct Consumer and Opinion Research, by Blankenship; Practical Public Relations, by Harlow & Black.

2) An editorial board composed of approximately fifteen distinguished public relations leaders with literary and editorial ability, is authorized. Invitations have gone from Council headquarters to those who are being asked to serve on this board.

In the letters which came in reply to mine, the following Council members were suggested for the presidency of the Council next year:

Dale Cox, Director of Public Relations, International Harvester Co., Chicago.

E. A. CUNNINGHAM, Manager, Public Relations, Shell Oil Company, San Francisco.

Don E. GILMAN, Executive Vice President, Western Oil and Gas Association, Los Angeles.

ROBERT HENRY, Assistant to the President, Association of American Railroads, Washington, D. C.

K. C. Ingram, Assistant to the President, Southern Pacific Company, San Francisco.

GEORGE W. KLEISER, Chairman of the Board, Foster & Kleiser Company, San Francisco.

RAYMOND W. MILLER, Public Relations Consultant, Washington, D. C.

HOLCOMBE PARKES, Vice President in Charge of P. R., National Association of Manufacturers, New York City.

VIRGIL L. RANKIN, Public Relations Consultant; Director, American Council on Public Relations, San Francisco.

CONGER REYNOLDS, Director of Public Relations, Standard of Indiana, Chicago. CLAUDE ROBINSON, President. Opinion Research Corporation, Princeton.

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# The Human Mind and Industry's Future

By CLAUDE ROBINSON

President, Opinion Research Corporation, Princeton, N. J.

I NDUSTRY is getting more and more interested in the technique of communicating ideas.

The fact that nine out of ten companies are increasing their public relations budgets indicates this.

The fact that idea-communication, in its public relations aspects, is heading up more and more in the office of the chief executives, indicates this. Many presidents, we know, are paying more attention to this problem.

Why is this?

The reason is a very practical one—it is good business; it has a realistic dollar and cents payoff.

The social function of business men is to manage the economic machinery of the nation—to organize men, capital and markets, and get the country's work done.

In the pursuit of this task, management functions have divided classically into four departments — production, sales, engineering and finance. A separate staff function serving all four departments has been the legal service, and now the nature of the managerial problem has become such that a second staff function is growing—the handling of public psychology through public and industrial relations.

Consider for a moment the urgent and practical dollars and cents character of this problem.

Since V-J Day the country has witnessed great and costly turmoil. 139,-000,000 man days were lost in 1946 as a result of strikes. This added up to one and one-quarter billion dollars in wages. Where the people live, this meant, "Son, I guess you will have to get a job instead

of going to medical school." Or, "Ma, we'd better give up the idea of building a house this year."

A strike is a psychological phenomenon that results from clashing ambitions of men or groups of men and from ignorance of fact. In good part, strikes occur because of faulty communication.

Last year, industry unions took their men off the job on the theory that companies could raise wages thirty per cent without increasing prices. Industry leaders argued that wage increases without increased productivity would mean price increases which would counter-balance the money gain and cause hardship to white collar people and pensioners. Industry leaders were quite correct in this contention, as subsequent events have proved. But surveys in our Public Opinion Index for Industry series show that only one-third of the public believed management's statements last year when the damage was being done. Only onethird of the public understood the main premise of management's case, that wage increases must be followed by price increases. That is a remarkable instance of failure to communicate ideas, and a very costly one indeed. How much would it have been worth to industry if its communications know-how had been equal to the crisis of last winter and spring.

I met an assistant works manager of one of our great companies some weeks ago. He is a graduate mechanical engineer. His job is to figure out ways to produce things—put this machine here, and have the material flow along aisle B. What is his greatest problem today? Well, he described it by the term "morale." It seems that the new machines just

put into the assembly line are capable of producing twenty pieces an hour, but only ten pieces per hour are coming through, or, in other words, the new machines are turning out only as many pieces as the obsolescent machines turned out. This production engineer has a problem in psychology and the communication of ideas. He told me his evenings were spent in addressing community gatherings on the subject of productivity and its meaning for the factory employees. How much do you think it would be worth to industry and to the nation if ways could be found to make the worker see that high wages, social security, medical benefits, vacations, etc., come from production and from nowhere else?

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#### The Paramount Issue

But the cost of communication failure that causes strikes and loss of production is but piddling when we contemplate the paramount issue that faces the world today; namely, the preservation of human freedom. Most Americans like the lavish material comforts that our social system has developed-Europeans are simply agape at what we have. Most Americans like personal liberty—the freedom to move without consulting the local gendarme-the freedom to choose clothes and food without queuing up and filling out forms in triplicate—the freedom to criticize the government without danger of concentration camps—the freedom to worship, and speak and vote and work.

But do we understand the social mechanics upon which these values of freedom and material welfare are based?

How many know that private property and personal liberty are inseparable?

How many know that progress and authoritarian rule are incompatible?

How many know the social significance of the consumers' plebescite?

How many know that competition in free markets is Democracy's primary vehicle for articulating the people's will in economic matters? How many know the relationship between social change and the consumers' plebescite?

How many know about the relationship between savings and tools that men work with, and the resulting high standards of living?

If the price of liberty is eternal vigilance, it is also good systems of communication which produce understanding of the social mechanics on which human freedom is based.

The modern tyrants know this. They understand that authoritarian rule cannot tolerate freedom of speech. They know also that their power rests on a combination of naked force and propaganda. They know what all collectivists know, that men are ends-minded not means-minded: hence their skill in labeling their activities with the symbols "of the good ends." A brutal, blood-thirsty tyranny becomes "the dictatorship of the proletariat." Democracy becomes "a government that knows what is best for the people." Workers become virtual slaves in the factory because "the people own the means of production."

#### Freedom Challenged

This philosophy of authoritarianism is challenging freedom all over the world today. A great gusher of tyranny has burst forth in Eastern Europe and is steadily inundating the rest of the world. Even in England, where the philosophy of free men has flowered, the authoritarian tide rises. In England today, as Raymond Daniel recently pointed out in the *New York Times*, the people are beginning to ask the sixty-four dollar question, "Can we have liberty and national planning, too?"

The authoritarian tide is lapping vigorously at our own feet here in America. When government becomes the chief money-lender, when government takes over the business of settling labor disputes by so-called fact-finding boards, when government subsidizes great masses

of the population, when markets are distorted by price-pegging and other controls, when a great state apparatus is maintained that devours a substantial part of personal income; there you have the beginnings of a system of authoritarianism. The fact that men of good will are often behind these developments, and the fact that these men proclaim good ends is irrelevant and immaterial.

When social control is gathered increasingly into the hands of the State, with its peculiar police powers, there you have the rise of authoritarianism and the decline of personal freedom.

#### Sheer Nonsense

Some people say, "It's all right, the Republicans will turn the tide." But that is the sheerest nonsense. Republican voters believe more in individualism than Democrats. Hence, Republican politicians stand further from authoritarian rule than Democratic politicians. But make no mistake about it, the future of authoritarianism in the United States will be determined by the social understanding of the people in the grass roots. It is public opinion in the home precincts that will decide.

Studies by The Public Opinion Index for Industry show that the most fertile ground for infiltration of collectivist and authoritarian ideology in this country are the minds of the men who work in your factories. They are the ones who now believe most in authoritarian ideas like government being responsible for jobs for all, setting top limits on salaries, and closer government control of our economic affairs. As we have been reporting to industry leaders, the ideological distance between the front office and the shop on the crucial question of collectivism is greater than the distance between the front office and any other groups outside the plant. The lines of communication between the front office and the shop are in a bad state of repair. Ideas are not getting through from the shop to the front office, and from the front office to the shop. A wall of misunderstanding has grown up that must be demolished.

When we talk about idea-communication, we must always think of it as a twoway process. Ideas should flow from the public to its leadership, from the buyer to the vendor and from the shop to the front office. How else can the vendor know what the public wants when he styles and prices his products? How else can management set up social arrangements in the shop and in the community that will give people satisfaction?

I would not agree that the voice of the people is the voice of God. But there is wisdom among the masses, both in respect of goals, and effective means for gaining those goals. It is not too much to say that much of our industrial strife today traces directly back to the lack of effective channels whereby ideas can flow from employees to top management and from top management to employees.

Progressive public relations is always defined in these two-way terms. It is the job of the public relations man to interpret the public to management and management to the public. It is the job of the public relations man to sell the social package that his principal produces, but it is also his job to advise his principal to change the package when it does not meet the needs of the market.

#### A Certainty

So there is a very practical dollars and cents reason why industry is getting more and more interested in idea-communication and why more money, more energy and more executive time and imagination will be spent on this problem in the years to come. You can put that down as a certainty.

As we talk about solutions to the problem of idea-communication, I take it that we do not have to labor the thesis that research, teamed up with creative public relations thinking, will blaze the trail ahead. The growing edge in public relations is pushing ahead very rapidly. We are learning much about how the mass mind works, how it forms social values, how its attention is arrested, and how ideas are communicated, and like other professions, we are building an experimental and documented body of knowledge. Modern medical practitioners have to know the latest developments in penicillin and blood chemistry. So, too, we are rapidly coming to a time where public relations practitioners, to be competent in their profession, must have an awareness and understanding of the theoretical conceptions and the experimental work that form the growing body of public relations knowledge.

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#### Fundamentals Must Be Right

As I have already indicated, there are signs that industry is beginning to realize the practical importance of idea-communication and the real magnitude of the job. Our studies show that public relations thinking is increasingly being aimed at the grass roots or community level, and within the community at the plant level through employee communication. In discussing this trend, we might talk about a lot of things-open house, employee reports, press liaison, etc. But I should like to come at it from another angle. I am a great believer in looking for the fundamentals that control a given problem. The longer I live and fight the public opinion wars, the more certain I am that successful practice depends on being right on fundamentals. If you are right on fundamentals, day-to-day tactics more or less take care of themselves. If you are wrong on fundamentals, no amount of brilliant tactics will bring you success.

I want to discuss three fundamentals. The first is this: good deeds do not speak for themselves. Good deeds must be interpreted or people may construe them as bad deeds. Now there is nothing new and startling about that principle, but heretofore it has in good part been a belief. Its dollars and cents value has never

been carefully demonstrated. New and dramatic evidence has appeared to make it a cornerstone in public relations practice.

The evidence comes from a report in The Public Opinion Index for Industry series called "How to Get Along in the Plant Community." This study first examined in detail the public and industrial relations practices of 48 companies in six towns, eight to a town; then, in each town a community survey was made wherein the public was asked to rate the list of eight companies on many factors such as, which is the best place to work, which pays the highest wages, which does the most for the workers, etc.

The companies in each town were then ranked according to the public's evaluation of them, from the best liked to the least liked. The analysis then proceeded to ask, "What do the 12 companies that rank highest in public esteem do to win the good will of their communities?" and "What do the bottom 12 companies do or fail to do that earns the ill will of the community?"

The majority of the bottom twelve, the study found, operate on the principle that good deeds speak for themselves. They believe their community responsibility is largely economic, that their community job is done when they create productive employment, treat employees well and pay good wages. As one executive in this group expressed it: "I have always had the feeling that a company which puts out honest products, pays good wages in a good environment, has done about all it can. Our feeling here is that actions speak louder than words. The pay envelope is the important thing to the family."

The majority of the twelve companies that ranked highest in public esteem work hard at creating good employment conditions, but also work hard at interpreting themselves to their employees and to their community.

Among the top twelve, only three are unionized. Among the bottom twelve, nine are unionized.

Among the top twelve there has been no strike in the past ten years. Among the bottom twelve six companies have had strikes in the past ten years, five have been strike-bound in 1946.

There is an old saying that man does not live by bread alone, and this study gives dramatic proof of this. Among the twelve companies ranking highest in public esteem, only five are credited with paying the highest wages. In other words, many companies that were thought of as "the best place to work" do not pay the highest wage.

#### A Rich Reward

Hard-boiled operating men understand that labor strife costs money. Here, then, is a demonstration that where companies have tried to live right and have taken pains to tell their employees and the community about it, they have reaped a rich reward in labor peace.

We might describe this situation another way to reach the thinking of hardboiled operating men. My organization was once called in to do a market study for a cold cream manufacturer. He evidently had been reading about the principles of economics, for he had laid out a plan to capture a larger slice of the cold cream market by giving a bigger jar for a reduced price. We went out and talked to the girls about it and hastened back to our client and said, "For God's sake, don't do that. Price is an index of quality. A woman's face is her fortune. The girls say they won't put that lard on their faces. When they buy cold cream, they want some white stuff to spread on their epidermis, but they also want glamourdreams-the lovely thought of being beautiful and sought by men."

A cosmetic manufacturer, then, really has two elements in his package; one, the tangible; the other, the intangible. No cosmetic manufacturer could long stay in business unless he provided glamour along with his sweet-scented chemistry.

Maybe there is a lesson here for public and industrial relations men. People want jobs and wages and good working conditions and continuity of employment. But they also need to feel important, to glow with pride, to feel themselves members of the company team, to have purpose and significance.

A satisfactory job package has two elements: the tangible—wages and working conditions and continuity; and the intangible — meaning significance, pride. Both have a dollars and cents payoff. The economic machinery furnishes the first part of the package. Public and industrial relations must furnish the second part.

During the war the railroads wrote a great saga of public relations around this principle. Under war stress, service necessarily had to deteriorate. People could have said: "That goes to show that management is poor. The government ought to take over." The public didn't say that, because the railroads through public relations had pointed out that service, by prewar standards was bad, because the war contribution was good.

#### Proper Interpretation Needed

The fundamental public relations principle here, then, is the inseparability of the deed and the interpretation of the deed. After V-I Day did you bring in parts by airplanes to keep the factory going? Without the proper interpretation that could have been regarded as poor management planning. Are you working three shifts a day? Without proper interpretation, that could be regarded as evidence of unreasonable profits. Are vou giving your workers pensions, medical benefits, vacation pay, group life insurance, pregnacy allowances, and safetytoed shoes? Without proper interpretation, people might say that management is greedy and without heart because it does not do more.

Let us ever remember, then, that public relations must start with good deeds, but

that good deeds are not enough. Good deeds must be interpreted or people do not understand their meaning.

That is principle No. 1.

Principle No. 2 has to do with what we call the "you" element in communicating ideas. Last week I participated in a company meeting where public relations was under discussion. A sales manager was one member of the conference. I asked him what he regarded as the A in the ABC of selling. His answer added up to this: "Seek out the interest of the buyer, then show him how your product serves that interest better than competing products." Now this is bone marrow stuff for men who earn their living on a commission basis. They practice this principle almost automatically, and no salesman would be foolish enough to think that he could sell any other way.

Well, public relations is really an exercise in salesmanship. But, bless you, we repeatedly violate the "A" in the ABC of selling. In effect, we say. "Listen to my story. Buy this gadget because it benefits me."

Take employee reports, for example. It is reasonable to assume that employees are interested in the company where they work and will read about the company in the employee report. It is reasonable to assume this, but not realistic. Our studies show that less than half of the employees read employee reports. Employees won't read through sense of duty. Like everyone else, they read what interests them. They look for answers to what they want to know; not what the management wants them to know.

#### Employees' Interests

What interests employees, then? The answer is: subjects close to their experience-subjects which they conceive to further their welfare.

How can I earn more money?

What are my chances for promotion? Why don't they give bigger pensions?

What do I get out of the company? What are we up against in competi-

What is the straight inside dope on the future?

To be properly informed, employees should know other things, too:

Why money is paid to stockholders. Why \$5,000,000 was spent on advertising last year, five million dollars which might otherwise have gone for employee's wages?

How can these subjects be made interesting? The best hypothesis I know is by linking them with employee interest, by interpreting stockholder dividends or advertising expenditures in terms of wages, chances for promotion, social security,

#### **Business Has Suffered**

The public relations of business generally has suffered much from the violation of this "you" principle. The collectivist is long on ends and short on means, but he always talks about the rosy dawn, the better life, the elimination of pain, suffering and misery. Of course the collectivist doesn't deliver on his promises, but the sales talk is very convincing. With this sales talk, as a matter of fact, the collectivist has taken a large slice of the market away from business leadership over the past fifteen years.

Business is means-minded. It must be careful about promising because it has to deliver on its promises. When the collectivists propose bad means to achieve good ends, business men have been in the habit of attacking these means; all of which causes people to believe that business is against the good end. Business should go on attacking unsound means, but not before they have first declared

themselves for the good end.

The people today admire business for its efficiency, but have some reservation about its devotion to the common good. "Business does not understand labor." says the public. The public believes that

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t public eds. but business is greedy, that it pursues the almighty dollar without regard to the human values involved. As the propagandists put it, business puts property rights above human rights. My sociology says that the values that make America—freedom and a high standard of living—depend upon the conception of private property. But that interpretation is not as widely understood as it should be.

To my mind, business leadership must have a cause if it is to win public support. In my thinking, that cause is called "modern liberalism."

Modern liberalism has two goals: one is to preserve and extend human freedom, the other is to raise the standard of living for the greatest number of people. All means contemplated by business, by labor unions, or by government, should be tested by this question:

"Does this program help or hurt the attainment of the liberal goals, namely, freedom and a higher standard of living?"

#### Establish Public Confidence

If business succeeds in establishing public confidence in its goals, then the public will follow the counsel of business leadership as the means for reaching those goals.

The public relations moral of all this is: Declare your end or goal in respect of public interest before you begin selling your means for reaching that goal.

I call your attention to the favorable press for the NAM's recently announced labor position as an illustration of the payoff for this basic public relations approach.

I could continue indefinitely on this point, citing case after case where industry's public relations have suffered because of failure to identify with the common good. I could wonder at length why this essentially simple principle should be so difficult to put into practice. I could draw parallels between the technique of selling economic goods and selling ideas.

But let's leave it at this: the "you" element is basic in communicating ideas. If you want public relations results, get on the side of the Lord before you start arguing what you propose to do.

That is Principle No. 2.

#### Art of Plain Talk

Principle No. 3 is this: Idea-communication will be greatly stimulated if we cultivate what Rudolf Flesch calls "The Art of Plain Talk." Flesch wrote a very useful book by that title, wherein he showed the relationship between understandability and the degree of complexity of words, phrases and sentence structure. The art of talking to people in terms that they can understand is more than counting the syllables in words and the words in a sentence. It involves the choice of subject matter-capture of the "You" interest-humor-use of symbols-colorful writing-the use of pictures-repetition-and other factors. The main idea I want to stress is that too frequently we talk over the heads of our audience.

We use legalistic, four-syllable words—look at much of the recent strike advertising, for example,

We use technical terms that people do not understand. A recent survey showed that only 16 per cent of the people were able to define the term "jurisdictional strike." Only 9 per cent understood the term "secondary boycott."

We build a case, but fail to draw the conclusion for the reader. All of us shy away from unnecessary mental exertion. The audience simply won't make the inductive leap your public relations require unless you furnish it with a magic carpet.

We try to get over too many ideas at one sitting.

We bury our idea nuggets in a mass of copy, instead of headlining them. Take employee reports as an illustration. Employees have no real conception of the amount they take out of the company. If we want to communicate such an idea, why not build it up; headline it; beat the

tom-toms; illustrate it; repeat it; show how this fact fits into other facts, like the relationship between productivity and wages; build a report around such a theme.

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Two objections are always encountered when the conversation moves in this direction. One is that you must not talk down to people. That is absolutely true. But communicating understandably does not require talking down. When you go before your Board of Directors, do you go in with a thick volume of facts, figures, and oral arguments, or do you put it on one page? You do not feel that you are talking down to your Board when you make it easy for them to understand your main idea.

The second objection is that in communicating ideas companies have to be dignified. To be dignified frequently is thought to require the use of traditional communication devices and the employment of four-syllable, legalistic words. Now I agree that companies must be dignified. I would not argue for jazz in the cathedral, nor contend that the Chairman of the Board should do a song and dance number with rope tricks on the side, but it is not necessary to strive for dignity by being dull. People criticize companies for being impersonal machines, for lacking human understanding. This feeling will not be overcome by having company officers frequent the local beer halls, or by addressing the employees as "members of our great big happy family," but there is some middle altitude where dignity and

understandability can meet, and that middle altitude is considerably less stratospheric than where we are flying now.

The communication of ideas is a big and complex subject. I am painfully aware of the fact that we know much less about this subject than we need to know. But the public relations profession is making a good beginning and our knowledge of these matters is growing at a very rapid pace.

To summarize, then, what I have said boils down to this:

1) The dollar and cents payoff in public relations is becoming increasingly recognized by management. Look, therefore, for a great growth in the profession, and increased attention by boards of directors and operating committees to the problems of idea-communication.

 Industry's public relations thinking is trending toward efforts at the community level, particularly in the maintenance of its two-way communication between the front office and the shop.

3) Three key principles are destined to play an important role in the next phase of public relations, as follows:

(a) The inseparability of deeds and interpretation of the deeds.

(b) The power of the "You" element in communication—the necessity to identify industry means with the public's goal.

(c) The cultivation of the art of talking to people in terms they can understand.

The foregoing article presents the address given by Dr. Claude Robinson before the Fourth Annual Conference of Public Relations Executives in New York recently. Dr. Robinson is the president of Opinion Research Corporation, Princeton, N. J., and has as his clients many of the foremost business and other organizations in America. He has been a pioneer in public opinion measurement, having served with Dr. George W. Gallup in the development of the well-known "Gallup Poll". Prior to that Dr. Robinson was a member of the faculty of Columbia University.

## "If It's Worth Doing At All . . . "

By GUY BERGHOFF

Director, Public Relations, Pittsburgh Plate Glass Company, Pittsburgh

FALL PUBLIC RELATIONS MEDIA available to modern business and industry the house magazine is the most potentially powerful and least effectively employed force in creating economic peace and security. House magazines, (and they should not be "employee magazines" because both company and employees should be represented), carefully created, efficiently edited, and properly presented can be the most direct approach to all the various "publics" whose understanding and goodwill are essential to the preservation of American economy. It is regretable, however, that recognition and use of this medium as both a public and industrial relations tool has been all too slow in crystallizing.

Admittedly during the past decade, particularly in the war years, the number of house magazines has skyrocketed. Ten years ago there were less than 2,000; in 1945 and 1946 the number jumped to over 6,000 with a possible readership of 50,000,000. Despite this tremendous increase in quantity, the quality of the average house magazine, then and now, leaves much to be desired by way of being a mitigating factor in contemporary economic problems. Many house magazines

have been conceived in haste, born under adverse circumstances and cared for by personnel not knowing the difference between a layout and a layette. In many instances top-management, seeing house magazines from other companies, perhaps competitors, coming across their desks, decide that they too should have one. Usual procedure is to call in a personnel, industrial relations or advertising man and instruct him to "start a magazine for the company in his off moments."

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Obviously any house magazine coming into being amid such circumstances cannot achieve the stature that an efficient publication should normally attain. Nor can a house magazine edited almost exclusively for the satisfaction and enlightenment of top officials perform its rightful functions. A survey of some of the current publications in this field only tends to emphasize these facts. Filled with inane chit-chat, overly-large pictures of important officials, poorly edited and put together, the average house magazine cannot and will not command the respect and influence it should. They are much in the nature of a sop for employees and a whetstone on which to sharpen the vanity of officials.

A creditable house magazine has a definite place and purpose in modern business and industry. Although not a "cureall" in itself, it can be molded into an efficient and effective weapon with which to combat the forces that are constantly waging war on American labor and management. Properly managed, the house magazine can disseminate truth and correct the distorted facts and figures on jobs, profits, assets, sales, and wages now causing so much economic unrest.

These tragic misconceptions are the result of carefully planned and skillfully executed propaganda campaigns. How-

GUY BERGHOFF was born in Fort Wayne, Indiana. He received his early schooling there and in Toledo, Ohio. Attended the University of Chicago where he was active in the various college publications. He spent some time working for the Chicago Daily News and the City News Bureau. In 1935 he became a lecturer for the Pittsburgh Plate Glass Company at the Chicago World Fair and later moved to Pittsburgh as assistant advertising and promotion manager for the company's glass division. In 1934 he was named Director of Public Relations and early this year all company advertising also was placed under his direction.

ever, they could not have borne friut unless sown on fertile ground and permitted to grow unchallenged by industrial publications. The average employee is vitally interested in work, wages, prices, and profits. It was the opponents of the American way of life who first began to satiate this thirst for knowledge about the organization and operation of the economic system of which every American is so vital a part. Given only distorted facts, it is little wonder then that the public places credence in such obviously fantastic proposals as the Nathan plan for using alleged corporate profits for a 25 cent wage increase.

#### **Editors Missed Opportunity**

Why industry and business did not, could not, or would not recognize and satisfy the natural curiosity about relationship of jobs and company economy is something that will probably remain unanswered. While free enterprise opponents were busy presenting "economic facts and figures," house magazines were engaged in the magnificent task of telling employees where Joe drank his beer and when Sadie had a baby. All too few magazines were published on the assumption that most employees are intelligent. Instead, editors and others assumed a negative stand toward any positive action aimed at real education.

The results of such negation have created many problems that must be solved. The most important one is a job of penetrating the fog of misconception of employees about the finances and the actual operation of a company. This can only be done by presenting the truth forcefully, simply, and in such concise terminology that no misunderstanding is possible. The task of doing this is, in the opinion of many, one of the most important public relations jobs facing American business and industry.

Fortunately, however, there are at hand the means and methods by which the job can be done effectively. The

means is, of course, presentation of the true facts. The method is the intelligent presentation of these facts in the house magazine. The house publication can become a two-way street to the meeting place where management and labor can mutually resolve their problems. It can be made to bridge the chasm which today separates employees, management, and the public from the mutual enjoyment of the abundance which the American way of life can bring.

Organizing and publishing a house magazine is a job that should be approached and carried out in the same manner as is any other major industrial program. Safety, personnel, production, and other programs are not entered into on the basis of whimsy; neither should the house publication be the result of haphazard decision and effort. Certainly, if other industrial programs require detailed preparation and careful groundwork, how much more fundamental effort must be put into establishment of a house magazine. The latter broadly covers the entire employee relations field and, in many instances, can be the means of either making or breaking other programs aimed at furthering labor-management relations.

Creating an efficient company publication is no overnight undertaking. The tools and media employed in industrial research, production, distribution, marketing, and advertising can and should be called into action. As in no other industrial venture, first things must come first and each successive step planned in direct relationship with all others.

#### Five Phase Plan

There are five individual, but closely integrated, development stages the embryonic publication must pass through before it becomes an adult member of the industrial world. The efficient effectuation of each is necessary for producing an invaluable instrument to further labormanagement relations. The phases are

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1) Determining the Policy; 2) Forming a Program; 3) Establishing a Plan; 4) Selecting the Personnel, and 5) Arranging Production. Summed up these points—Policy, Program, Plan, Personnel, and Production—not only make an attractive alliterative theory but the alliteration can be carried further by stating they produce a practical product.

It was upon the exhaustive determination of these five points that the internal house publication of the Pittsburgh Plate Glass Company was recently reorganized. This company had been publishing an employee magazine for approximately seven years. When compared to other company publications, Pittsburg People was not found wanting. It was attractive, the content innocuous, and it followed pretty closely the generally accepted but wholly inadequate editorial practices of industrial publishing. Although it served admirably as a means for printing employees names and pictures, like so many other house magazines it was not doing the best job that could be done.

The first step in reorganizing the publication was the determination of a clear cut policy. The sentiment had been expressed among management that perhaps the magazine could serve as a real means for arriving at a mutual understanding of the many growing problems of jobs. wages, production and security. This thought was not translated into policy and could not be crystallized until certain preliminary steps were taken. These were concerned with the formulation of specific points which could be presented to the policy-makers. To facilitate decision on these an executive committee of topranking officials was appointed to determine roughly whether the magazine would continue on its innocuous way or become an important factor in employee and community relations.

#### **Basic Objectives Stated**

The committee, after extensive study formulated a definite, constructive publi-

cation policy. In effect it was an affirmation of the fact that the house publication can and should be more than a typographical picnic place. It was determined that the policy should be concerned largely with an interpretation of certain major points of company operations and its relation to the broad economy. These points are:

#### Five-Point Publication Policy

- The Basic Concepts of Modern Industrial Economy
   Machines make jobs
   Jobs vs. production
   The Profit and Loss System
   Importance of trade-marks
- 2) The Place of the Employee in the Over-all Picture

Research and Development Production Planning Production Market Research Advertising Promotion Distribution Selling

- Company Policy and Operations Need for policies Outline of Capital Investment The job of management Flow of operations The place of the:
  - (a) Employee
  - (b) Shareholder
  - (c) Management
- 4) Benefits Employee Receives from the Company

Jobs Social Security Medical Service Safety Programs Recreational Programs

5) Relation of Company to Community and Country

Company contribution to community income through wages, taxes, gifts.

Development of new glass, paint, chemical and other products. Community Improvements as result of company expansion growth.

Research toward new uses for products.

These five broad points, which patently permitted the magazine to operate in sound and effective spheres of influence, were then presented to the company's board of directors. Each point was outlined and discussed and the entire program won approval and engendered the moral and financial support that was essential to the magazine's success.

#### Shaping a Program

With policy determined, the next step was shaping a program. This involved selection of the proper approaches to the methods by which the policy might be translated into action. In production or marketing, when such problems arise they are solved with extensive research and investigation. Normally, specialists in the different fields are called into survey the problems objectively and predicate action upon facts as they are. This same approach was employed in reorganizing Pittsburgh People.

Competent house magazine research consultants, the firm of Newcomb and Sammons, were retained to survey the situation and determine what type of magazine was best suited to Pittsburgh's specific needs. This was indeed a complex problem for Pittsburgh's employees stretched from coast to coast and were engaged in widely divergent occupations. Among the first tasks was to determine, insofar as possible the reading habits of the employees. Did they like lots of pictures and little text or did their tastes run to all text of a digested nature. Did they prefer a booklet they could stick in their pocket or one that had pictures big enough to be enjoyed? By visiting and talking to employees in various plants and at all levels of operations this survey program finally resulted in a plan that would conceivably meet all requirements.

#### Going Into Action

The plan stage was crucial and involved moving from the theoretical realm of programming into the physical world of doing. Results of the survey program had shown that readers favored pictures over text. A high percentage approved the bigger size magazine. Thus, the actual physical make-up of the magazine was determined to be about the size of Life, containing, however, more explanatory text. Insofar as actual content was concerned, all employees exhibited a surprising interest in obtaining information about company policy, products, and job security. They wanted more about these subjects and less of the chatter type material-except where the latter was entirely about the people they knew. It was interesting to note that employees, in the main, wanted more information about those subjects which management wanted them to become more familiar with. Thus the task of reconciling policy with publishing was made infinitely easier.

A major aspect of the plan stage was how to get the best news into print in the best way. Obviously in a company whose operations were as scattered as Pittsburgh's this presented a real problem. To have full-time editors in each of several hundred locations would strangle even the ample budget that had been established. There could be only one answer to this-the use of full-time company employees as part-time correspondents. This was particularly true since it was planned to have a 24-page company-wide magazine with a series of special inserts for each of certain divisions. To properly handle such wide-spread and yet special news sources, it was obvious that a competent editorial staff and direction was needed.

#### Personnel Important

This focused attention on the personnel phase. Since *Pittsburgh People* was being reorganized with a definite job to do, it was urgent that its direction be

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placed in the hands of a person who had no other duties or responsibilities. In other words, directing the magazine was a full-time, twenty-four hour job requiring continuous driving force. The editor had to have a purely objective viewpoint, be used to meeting deadlines, and be able to concentrate all efforts on magazine publication.

As necessary as a good editor is a "home office" staff and field correspondents of high caliber. The home staff should be composed of personnel who have had either experience or training in industrial publications. However, the selection of special correspondents must depend upon a number of factors and it is not always possible, in fact it is quite improbable, that trained or experienced people can be found. In choosing Pittsburgh People correspondents, the editor made special trips to locations and carried on special correspondence with others in soliciting advice and direction. Even after the correspondents had been chosen it was evident that something more was needed to make them know, understand, and want to do the job.

#### An Inovation

To overcome this problem, Pittsburgh Plate management blazed a new trail in industrial publication activity. In cooperation with its house magazine consultants and Northwestern University's Medill School of Journalism, the company sponsored an intensive one-week house-magazine training course. Key correspondents from 18 of the company's major operations plus the entire home office staff attended the course which was planned by Elmo Scott Watson, Associate Dean, Medill School of Journalism and Robert Newcomb, lecturer in industrial editing.

This pioneer house magazine training course, the first time that any company had used the campus facilities of an established journalism school for special editorial instruction, offered a complete and intensive program. The aims and objectives of the new Pittsburgh People were outlined and explained. Special sessions on "How to Gather and Edit News." "Picture Requirements," "How to Prepare General News Section Articles" were included. That the course was effective was demonstrated in the enthusiasm and work of the correspondents.

With policy, program, plan, and personnel worked out the next step was the actual production. It can be safely stated that many production problems for the average house magazine editor are nonexistent—they are thrown into the lap of the printer. This is largely due to the fact that most house magazine editors have other responsibilities and duties and house magazine production takes up too much time. If a job is worth doing at all, it is worth doing well and the house magazine editor should so arrange material that the printer does only the printing and not a lion's share of layout and planning. Production problems can be solved by setting up a definite system for handling news and cuts. On Pittsburgh People one person in the home office is charged with responsibility of seeing that text is the right length, that cuts are sized correctly, and that both text and cuts fit into the dummy. When the material reaches the printer all that has to be done is the actual printing.

As can be deduced from what has gone before, establishing a house magazine in conformance with the "Policy, Program, Plan, Personnel and Production" fundamentals requires considerable time, effort. and money. Pittsburgh Plate has followed these fundamentals because it recognizes in an efficient house magazine the means by which progress can be made in solving current labor-management problems and helping eliminate future ones. The house magazine can, and should be, a major tool in strengthening both employee and community relations and it will be so used by

Pittsburgh.

# THE PLANT BULLETIN BOARD AS A PUBLIC RELATIONS MEDIUM

By JOHN O. EMERSON

Public Relations Manager, The Marlin Firearms Co., New Haven, Conn.

In common with most all grass-root public relations practitioners, I am glad to see top management's Johnnycome-lately appreciation of the fact that a good public relations program, like charity, begins at home. Some of the voices which were crying early in the wilderness have finally been heard, and those of us who, twenty-five years ago, with only a modicum of vision, dared to suggest to management that it would be good business to pay as much attention to its own workers as was then being paid to production and profits, now find ourselves "on-the-spot" to prove our mouthings-or else.

We are not worried about that, because proof of the pudding is already a fact, but we should, now, give analytical attention to the means, methods, "tools," or whatever you want to call the things we do or use to create, maintain, and constantly improve the relationships between management and employees which will also improve public relations, and try to reduce our successes and our failures in past years to a reasonably certain pattern or formula for the present and future.

There are many of these "tools" at hand and, like me, you have probably tried a lot of them with good, bad, and immeasurable results, but after some six years' experience with an old, but rejuvenated, medium of communication between management and employees, one which lends itself admirably to promoting a better program of improving public relations at the employee level, I would like to pass along what I have learned about this particular medium—the plant bulletin board.

My observations on the subject of plant bulletin boards are not based on the

single experience of their use in our own gun and razor blade plants. Through the years what we have pioneered is now a part of the accepted management-employee communication programs of some 2000 business organizations, coast-tocoast, which it is the privilege of our Industrial Division to serve.

First of all, let's take notice of Factory's report last summer of its survey of the methods that producing and service organizations use "to keep employees informed." They asked the question of the managements of 100 plants, screened so as to get expressions from both big and little outfits. Here are the results:

47 of the 100 concerns surveyed use magazines; 23 newspapers; 53 letters; 36 sound systems; 30 large scale meetings; 46 books and pamphlets; 47 special induction booklets; and 99 bulletin boards.

Now, just because 99 out of 100 "use bulletin boards," let's not conclude that that medium of communication between management and employees is all set, okay, needs no attention from us; or is something that is just taken for granted, and is therefore unimportant.

The point I want to make is the fact that companies already have what they call bulletin boards—and have since the day the Lord made little apples—but what do these boards look like, how are they used, where are they, who knows whether anybody ever looks at them, or why should they anyway?

Many times, in answer to my question, "Do you have bulletin boards around the plant?" I have received the reply, "Oh sure, we got 'em." And then I've asked if I might see them, and the gentleman says, "Er—yes," and then he leaves me and

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ems and he house ajor tool and como used by goes into a couple of huddles with his secretary, and two or three line officials to find out exactly where they are, and I finally get to have a peek at two or three of the so-called bulletin boards.

Vou who read and run, have certainly seen these bulletin boards in the plants of your clients or companies. Remember what they look like, for the most part? Insignificant and unimpressive little picture frames, stuck up some place where only the sticker-upper can see them. Once the boards are up, he seems to go non compos mentis, and forgets all about them. They subsequently are allowed to grow old before their time, and get overplastered with notices, bulletins, orders, etc. They get to look either dog-eared, or flea-bitten, or moss-covered, or just plain blah-so that they don't mean a thing to anybody. They become a part of the building, like the walls on which they

We speak pointedly on the subject because our own bulletin boards—19 of them—had degenerated into the above category before we realized that we might be missing a bet by not making better use of the boards as a direct medium of communication between management and workers to help focalize our other personnel relations activities by giving the boards some kind of attention-getting appeal.

#### First: Physical Appearance

First of all, we directed our attention to the physical appearance of the boards. We decided that they should be uniform as to size and that they should be so constructed that they would truly reflect the management they represented. We also took into consideration the fact that the display panels should be big enough to accommodate the display of available safety posters, and other posters on subjects having to do with the benefits to all concerned that can come from waste prevention, quality maintenance, putting new ideas to work, understanding man-

agement's policies, and doing a good public relations job for the company at the community level.

At the time our bulletin boards were in the drawing-board stage, we considered everything that we might "buy, beg, borrow or steal" in the way of an assured attention-getter for the boards. We applied a sound external advertising principle to our internal problem and recognized that in order to get employees to look at what we wanted them to look at, we must give them something that they wanted to look at.

#### An "Acre of Diamonds"

Our search for this desirable magnet didn't take long because we were fortunate to have the longed-for "acre of diamonds" right in our own back yard. It so happened that the president of our company was also president of a syndicated news pictorial service which had been successfully operating in the commercial advertising window display field for some 25 years, providing enlarged news pictures to attract the attention of passersby to several kinds of businesses which had no merchandise to display in their windows, such as financial institutions, insurance agencies, and the like.

We figured—and we couldn't miss—that what attracts the attention of Mr. & Mrs. John Smith as they walk up Main Street would also prove to be an interesting attention-getter for Mr. and Mrs. Smith while they are working in the plant. People are people, wherever they are. A desire to see pictures of other people who make the news we hear about over the radio, or read about in our daily papers, is a fundamentally normal human reaction.

So, we put a newspicture, big and bold, in the center panel of our employee bulletin boards, and, sure enough, it served as the "lure" we wanted to get the attention of our employees to the boards day in and day out, as each new picture was posted.

We also learned that the pictures and other material displayed on our bulletin boards had to be under glass and each panel equipped with lock and key. Before we learned this—the hard way—our best intended messages to the working force were continuously embellished with expressions of repressed desires which would even make Casanova blush!

#### Location Is Important

The next step was to locate the boards properly so that every employee, no matter in which building he or she worked, or on what floor, would be "exposed" to a board at one time or another in the course of each day's work.

We quickly found out that we were wrong when we located bulletin boards adjacent to the time clocks. Both Sam and Susie are too much in a hurry to punch in, and too much in a hurry to punch out to pay attention to anything else. We also found out we were wrong in locating boards along the wall where emplovees are obliged to stand in line a few minutes to get into the cafeteria. I now recall that years ago when I was a newspaper reporter assigned to cover evangelist Billy Sunday that it was his sensible procedure to feed his hoped-for converts first, and then, when the inner-man was satisfied, expound on the advantages of religious faith.

We put bulletin boards inside the cafeteria and they got all the attention anyone could hope for. We also put boards around at focal and traffic points, within various departments, figuring that even if the employees stopped working for a couple minutes to look at the boards, and read what we had to say on them, it was time well spent and worth paying for.

Up to this point, I have tried to detail the physical aspects of the bulletin board, its appearance, size, construction and location. Now we can get into a report of how to use the Company Bulletin Board as a medium of communication between the management and workers to improve public relations, as well as personnel relations.

First, a personal observation which is most interesting and significant. I notice more and more in the reports of our field staff and in my own personal plant visits. in connection with the proper use of the bulletin board medium, that a great many of the functions which have always previously been the responsibility of the personnel manager, or the director of industrial relations, are now being taken over, in large part, by the executives responsible for the companies' public relations. This is a very normal and natural transition. Having served in both capacities. I think that the personnel manager has all that he can handle in the mechanics of employee relations—hiring, indoctrination, training, job evaluation. safety education, absenteeism, turn over, transfers, firing, and all the other details that are laid in his lap.

#### Calls for Teamwork

It seems to me that there need be no conflict, no stepping on each other's toes, by either the public relations man or the personnel relations man. The former's proper function is strictly staff, rather than line; his job is to counsel the management in the introduction and development of policies that embrace the company's employee to the same extent that they do the person who is not an employee but who buys whatever it is the company has to sell.

After all, my employees are your public, are they not? And *your* employees are *my* public. The public relations executive, then, is the logical person to handle the phases of management-employee relations which have to do with the employee as an important entity in the community, apart and aside from how much he makes a week, and whether or not he's worth it.

We have said, in effect, that company bulletin boards, so designed and supplied with a sure-fire attention getter, can be used to get across management's messages in a way that is acceptable to at least a majority of employees, because

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their first reaction when coming to the bulletin board is simply one of curiosity and interest in the newspicture. There is no chip-on-the-shoulder attitude on the part of an employee when he is looking at a picture of the beauty contest winner at Atlantic City or the airplane crash he heard over the radio night before last.

Having secured the voluntary interest and attention of the employee to the bulletin board, we can also get his attention to the other material displayed on the board along with the newspicture. We know from experience that even the hardest-boiled employee, who would rather drop dead than be seen by his fellow workers looking at a company notice of some kind, posted all by itself, quite willingly goes to the board to look at the newspicture, and while there will also read the company notice, motivated to do so, perhaps, by an inborn sense of fair play-a sort of "you scratch my back and I'll scratch vours" attitude. He has been shown something he likes, so he'll look at what we have to say.

The stage is therefore set for management to put on its show.

#### What To Say

What the show is depends on what management wants to register with its employees. It may be a message on safety, or eliminating unnecessary waste, or maintaining quality standards, or making suggestions for improving the work, or a message giving the employee the kind of information he needs to know to be in a position to help the company do a good public relations job at the community level.

Let's further demonstrate how valuable the properly-handled plant bulletin board can be by a simple illustration. If the company consisted of just the boss and a half dozen employees, the boss would be able to personally meet each and every worker every morning with a hello and a cheery greeting. With hundreds of workers on the job the boss and his staff can't

possibly stand in a receiving line every day and shake hands with every employee. He can, however, do the next best thing, and say hello to the workers via the printed word, posted on the company bulletin board.

#### Message from the Boss

The way we worked it out in our own plants first—and have since syndicated a similar service for other plants—is through a letter on the company letterhead, signed by the president, displayed on all company bulletin boards on the basis of a new letter every week. Any given letter may not be posted for longer than 24 hours, depending on what other material is also to be posted, but the employees get a personal message "from the boss" once a week, just the same.

It is surprising how well these letters are received by the rank and file of employees. They like them. They like the fact that the big boss recognizes that they are human beings and important enough for him to take the time and go to the trouble of writing them a letter. It helps to personalize the boss to the employees. Frequently the letters contain a funny story and the employees have a laugh with the boss.

Naturally the subject matter of these letters must be very carefully worded so as not to arouse any controversy or difference of opinion, or infer anything that somebody might construe as violating the company's collective bargaining agreement with the Union.

The subjects of our letters from the president to the workers in the last three months have been:

Tax Cuts and the National Debt Comparative Russian Statistics Mental Health Juvenile Delinquency Proper Care of Equipment The Odds Against the Chance Taker Overcoming Fatigue Controlling Inflation Our Position in Our Industry We're All Dependent on Each Other Falsa Price Propaganda Where Your Job Comes From Our Service To Our Community

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Recalling the formula we learned in advertising's kindergarten, namely, 1) Attention; 2) Interest; 3) Desire; 4) Action, we prepare colorful background displays on which the regular letterhead is posted, thus giving it the importance it deserves. Each letter ends with a request that the employee do something specific about the subject of the letter.

It is in this fashion that our company's public relations program is first revealed to our employees. We believe in telling them what we are doing and why we are doing it. The bulletin board medium serves us as a veritable plant "newspaper," enabling us to put our information across with far more eye appeal, and much more dramatically, than would ever be possible in our employee magazine, for example.

We round out our program of employee communication and education with large cartoon posters on all the important factors of safety, waste prevention, cutting costs, maintaining quality of products and service, business facts, Americanism, self-improvement, making suggestions, etc.

For boards designed to reach employees having direct contact with the public, we prepare a series of messages which we call our "Public Relations Series." These are printed reminder messages, measuring 8 inches high by 19 inches wide, commenting on employee-public relations and the importance of courtesy, promptness, efficiency, accuracy, knowledge of product, cooperation with fellow employees, keeping fit, personal appearance, cleanliness, orderliness.

I think it is worth mentioning that the universality of this public relations material is genuinely surprising. It is used, for example, by such widely diversified lines of business as: the swankiest hotel in Boston; largest department store in New York; biggest bank in Pittsburgh; world's largest negro ballroom in Chicago; the finest mortuary parlors in Denver and California's leading dairy.

In all of these, and many hundreds of other service organizations like them, the bulletin board, with its assured attention-getting newspictures, is used as a medium of continuous communication between management and workers. The board plays an active, instructive part in the employees' daily job because it always carries something new which interests him. Its news, announcements, bulletins, letters, pictures, copies of company advertisements, safety and waste posters are all "official," and all a part of his earning a living.

The plant bulletin board should be a part of every program of public relations at the employee level.

John O. Emerson has been in personnel, industrial and public relations work for the past 25 years with the exception of a two-year stretch with the War Production Board in Washington, where he served as Deputy Chief of the Industrial Salvage Division and Civilian Consultant in the office of the Chief of Ordnance; two years as assistant publisher of Forbes Magazine and three years as advertising manager of the New Haven Railroad. He was the first and founding editor of the National Foremanship Board and has authored numerous articles on management-employee relations.

# INDUSTRY'S PUBLIC RELATIONS: ... ARE THEY GOOD ENOUGH?

By ANDREW JACKSON

Director of Public Relations, American Machine & Foundry Company, New York City

From the great depression to World War II, American business was suspect, on the defensive and bitterly bewildered at public apathy toward the sacred tenets of free enterprise. Never did our economic system seem in more danger, never were its defenses more vulnerable.

The years of the 1940's have seen a steady improvement in the position business occupies in the public mind. If the supreme arbitrator, the public, graded business "F" ten years ago, it can be fairly stated that today's mark is nearer "C+" or "B-."

To all well wishers of our competitive economic system the contrast is heartening. Some of us, however, viewing the contrast, have become unduly optimistic, almost to the extent of believing that the battle between free and controlled economies has been finally and irrevocably won by the former.

Such a viewpoint, however consoling, is not realistic. Any amateur economist must be aware that the future will present business with challenges which, if not prepared for in advance, can well end our free economy. Such challenges will come when the business cycle hits its low points, when private employment grows lean, when, in short, business seems incapable of coping with the economic situation.

But, contend some of the most competent economists, the violent dips and rises in the business curve are avoidable. If, they insist, we will only follow sane economic policies, the curve can be confined to moderate oscillations. They readily admit, however, that the policies which would permit this happy state of affairs to exist are not being followed. They further admit that there is small probability that they will be followed.

Sooner or later then, business public relations must face the onslaught of economic depression. When that occurs will industry still rate a "C+" or "B-" in public esteem?

The prospect of continued favorable relations with the public is further threatened by a world which is largely totalitarian. The bleak fact is that we are the single great nation believing in and practicing economic freedom. Business must be prepared, therefore, to counteract the pressure which inevitably will be brought to bear against it from controlled economics abroad.

So much for two of the most discouraging factors. What of the encouraging factors?

In addition to the fact that a free competitive economy can out-produce—and therefore out-prosper—controlled economies, industry's prospects are improved by the public relations lessons it is learning. The most important of these lessons are:

1) Good public relations are founded on good performance.

ANDREW JACKSON is a graduate of Wesleyan University, 1937 (B.A.) Following graduation he spent several years in advertising and selling. Later he became associated with DuPont as a foreman and progressed to the position of training supervisor. Following this he became manager of the Employee Program Division of the National Association of Manufacturers. Since 1945 he has been Public Relations Director of the American Machine and Foundry Company. He is a member of the Board of Directors and Executive Committee of the Council for Democracy.

 Good performance by itself is not enough. Publics must be informed and convinced of good performance in terms each public most appreciates.

 The primary publics of business are those most closely allied with it.

In the 1930's, generally speaking, industry had learned none of these lessons. The numerous attempts made by companies and trade associations to regain management's lost prestige rarely succeeded-and for good reason. Instead of boldly facing the issues, industry by and large was content to rest on past gloriesa suicidal approach to the American public. Theoretical arguments to the effect that free enterprise had given the American people the highest standard of living in the world were flatly ineffective among those seeking and not finding work. The suggestion advanced by many business leaders that the unemployed should train themselves in new skills and trades fell on the deaf ears of, let us say, a bookkeeper who had done nothing but bookkeeping for 20 years. The Billy Sunday speakers, financed by business, exhorting listeners to just believe in America and the American economic system sounded singularly hollow to weary individuals who were only wondering whether America and the American economic system believed in them.

#### Guaranteed Annual Wage

Today the public relations approach of industry is certainly improved. The problem of the guaranteed annual wage is a good example of this reformation. Despite the fact that in a profit and loss economy a guaranteed annual wage is close to an impossibility, industry is not blindly opposing the aim of more job stability. Quite the contrary. Industry is studying the problem and doing—in a large number of cases—whatever is feasible to regularize employment.

Too, there is a growing realization among the leaders of industry that each company's primary publics—its customers, employees, stockholders and those in communities where a company's plant is located—are the groups upon which industry's good public relations depends. There is an encouraging tendency for each company to stop trying to convince other people's publics while ignoring its own. Unfortunately this is still but a tendency—a tendency which has not yet been transformed into widespread practice.

An additional encouraging factor is the increased skill with which public relations men are using various techniques to reach different publics. Skillful presentations in clear, uncluttered language rather than financial and legal verbiage is becoming more and more the rule rather than the exception.

#### In the Right Direction

The present sensible direction that public relations of industry is starting to take is best exemplified by its growing concern with "community relations."

It is obvious, but often overlooked, that effective community relations are possible only when a good industrial and public relations job has been done with employees. An employee is apt to express his like or dislike for, or his indifference to, his employer hundreds of times a year. If he dislikes the company for which he works, what chance of success has a company's community relations program? The employee's opinion—because he is connected with the company—will belie any advertising, promotion, or publicity campaigns the company may carry on in the community.

Let's face it. Good community relations, as good relations with each company's more remote publics, must be based on good industrial and public relations with employees.

Of all industry's publics the employees have received the least intelligent treatment.

Why has business ignored its employee public relations for so long? Some con-

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tend that the Wagner Act has prohibited free exchange of information between management and employees. But a few companies, as subject to the Wagner Act as all the others, have for years kept in close contact with their employees. Other managers, remembering previous illplanned and unskillful attempts to gain their employees' confidence, have been inclined to sulk and to question the open mindedness of their workers. Still others feel that the game isn't worth the candle. that it takes-as all important ventures must take-time, money and energy which can best be used elsewhere. They believe this without realizing that free business exists only by public consent and that employees represent the decisive segment of the public. What they also forget is the fact that employees who are militantly loyal to management will express their loyalty not only with opinions but with greater application and cooperation resulting in greater output per man hour.

If business' relations with its employees are in such a dismal state and if emplovees and their families represent fifty per cent of the voting population (as they do), how then can business' public relations rate a "C+" or "B-" today? Why, in other words, haven't employees at the polls shown decisively that they want nothing to do with the free enterprise system? The answer can only be that all of the alternatives to free competitive enterprise are even more repugnant to employees. But, in a period of depression would the alternatives still seem as repugnant? If the present state of management-employee relations does not improve, it is unlikely.

#### Building for the Future

Whatever the reasons for botching the employee public relations job, the fact remains that it has been done. The fact also remains that there is nothing to stop management from concentrating on this vital public during the coming years. By doing so management will be building a bank of

public good will essential for free industry's survival in a cyclical economy.

Effective public relations with employees requires at least as much skill as effective relations with any other of industry's publics. In the space of this article only one or two remarks about developing such a program can be made.

#### Must Work Together

The most effective employee program requires close cooperation between a company's public and industrial relations departments. This presents no difficulty in those organizations which have a single executive responsible for both areas. In most companies, however, the public and industrial relations functions are separated. This should not, however, prevent the public relations department from working as closely as possible with the industrial relations group on programs to reach employees. In fact, it is essential that the two departments work closely together since the employee's opinion of the company for which he works is determined as much by industrial relations policies as public relations programs.

An employee public relations program should be built on sound knowledge of what employees in the organization really think. Not what someone would like them to think. Not what someone guesses they think.

Opinion polls among employees are often more difficult to conduct than among other groups because employees in many cases do not feel free to express their opinions. Therefore, every step should be taken to show the employee that his identity as a respondent will be concealed. An excellent example of a skillfully conducted employee poll is summarized in the Thompson Products Company's booklet prepared several years ago entitled We Lead With Our Chin.

The second step in developing an employee program should be an analysis of the various media which can reach an

(Please turn to page 38)

#### THE WEATHERVANE

By VIRGIL L. RANKIN
Public Relations Consultant, San Francisco

#### "Dangerous," He Says

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Public relations workers will find interesting, at least, the views of Norbert Muhlen. In the New Leader Muhlen recently declared that the trend toward the insertion in newspapers of advertisements containing controversial matter is dangerous. He terms these advertisements "advertorials"-advertised editorials, and maintains that they will appear in increasing number because of the public relations program of business which is designed to "sell free enterprise" to the American public. He infers that only business has sufficient funds to finance an advertising display of "contraband" editorial opinions. And that there is danger that "a monopoly of wellfinanced groups may develop from the complete freedom to advertise opinions." He proposes that newspapers should publish, with each such editorial ad, a prominent notice: "This is a paid ad. The facts and views expressed therein have not been

What Mr. Muhlen has failed to state is this: By and large, business has leaned over backwards in its effort to present, for public consumption, only reputably established economic facts. This has not been true of groups opposed to the American way of life. Many of these opposition groups are well-financed too, and openly admit to a policy of "the end justifies the means."

#### Greatest Impact on Public Opinion

A city of 40,000—Montclair, N. J.—served as the guinea pig in a recent Gallup survey. The question: "What do you rely on most in forming your opinions—magazines, newspapers, books, radio broadcasts, or some other source?" The poll covered the high, middle and low income brackets, with the heaviest response from the middle bracket.

Opinion source ratings, with all answers tabulated, stacked up as follows:

Newspapers, 73 per cent; radio, 58 per cent; magazines, 44 per cent; books, 31 per cent; people (discussion with family, friends, co-workers and other groups), 12 per cent; forums, 3 per cent; churches and the Bible 1 per cent; motion pictures, less than 1 per cent. The total adds to more than 100 per cent because some of the persons interviewed named more than one source.

The foregoing results of the poll were announced by William A. Lydgate, editor of the Gallup Poll organization, at a meeting of the Montclair Forum last month.

#### Accent on Production

Former President Hoover contends that a de-militarized Germany, permitted to regain its industrial stride and become self-sufficient, will save America millions of dollars—that the key to recovery in Germany, as in the rest of the world, is production.

Commenting on Hoover's proposal, Clem Whitaker, editor California Feature Service, says: "The Hoover proposal... envisions that every German will stand on his own two feet, not on the shoulders of an American taxpayer. Here at home, Americans might do well to listen with more than half an ear to Hoover's production program for our own country, too. In the final analysis the world will be saved from poverty and the quick cure of Communism neither by loans, nor handouts, nor guns, but by production of the things men need for their shelter, their stomachs and their souls."

#### Keyed to the Public Interest

Late last month The New England Gas Association held its 20th Annual Business Conference in Boston. The conference had as its major theme: "Serving the Public Interest." It is significant to note the emphasis which was placed on public relations by featured speakers. Dr. N. S. B. Gras, professor of business history, Harvard Graduate School of Business, said that only a substantial advance in the public relations field will assure the maintenance of private enterprise on its present level; that after 400 years of freedom, business is returning to control from the outside; that technological research and efficiency must be paralleled by social research and social "efficiency."

Louis Ruthenburg, president, Servel, Inc., discussed broadly the expanding public relations responsibilities of business and some of the "pressing problems" of the day. He stressed the urgency of good public relations at the individual plant and home-community levels.

#### Production Can Be Increased

What are the reasons for "slow-downs" in industrial plants? How can they be overcome, and production stepped up?

Competent public relations workers know that "facts" come first. With these in hand the approach toward solving a problem is frequently clear-cut—apparent from an objective analysis of the facts. Therefore, the facts determined by Lawrence Stessin in a two-months tour of industrial plants, are significant.

Reported in *Forbes*, under the title, "Slowdowns Can Be Prevented," Stessin states that the five major causes for slowdowns are, in order of their importance:

1) Grievances allowed to remain unsettled; 2) Faulty supervision (too often by foremen who are machine experts but know little about how to instruct or handle personnel); 3) Sloppy or otherwise unpleasant working conditions; 4) Ignorance of company policies, causing insecurity and misgivings among employees; 5) Ivory tower executives, who reveal, in their few contacts with workers, that they know little or nothing about

what goes on in the employees' own bailiwick, the union, or the individual department of each employee.

Stessin observes that interviews with all classes of industry reveal that when these conditions are corrected slow-downs cease and production gains rapidly.

#### Keeping Employees Informed

"Facts About Your Job" is the title of an illustrated piece prepared by The Allen Manufacturing Company, Hartford, Conn., for use on bulletin boards and in the employee magazine. It presents facts about such things as wage rates, average earnings, attendance records, accidents, group insurance, review of suggestion awards; quits, terminations and new hires; analysis of employee nationalities, and the company's managementunion relations.

Ellsworth S. Grant, vice president in charge of the firm's industrial relations, reports that the information was well received by employees and that particularly keen interest was shown in the data on average earnings and the kind of people employed.

#### Miscellany

The American Marketing Association announces the formation of the organization's first public relations committee .... Over 500 Michigan School of Business Administration students played the role of stockholders in a big corporation last month when James F. Bell, chairman of the board, General Mills, staged, at the school, a meeting similar in every respect to those conducted with the actual owners of the company. . . . Hazel R. Ferguson Council trustee, formerly assistant to the president of Butler Brothers, Chicago, is now Butler's "Vice President in charge of Public Relations." . . . The oil industry's Public Relations Operating Committee will recommend an industry advertising program to be started during the summer.

# The Channel of Good Will

By NAOMI D. WHITE

Executive Secretary, Los Angeles County Chapter, National Foundation for Infantile Paralysis

While Good Public relations are important to a business or an industry, they determine the very existence of a social service agency. A manufacturer may survive, may even succeed for a time, without the help of sound public relations policies, but the American Red Cross, the National Foundation for Infantile Paralysis, the Tuberculosis and Health Association, the American Cancer Society, and many other fine organizations, can exist only if the people of this country believe that what they are doing is of sufficient value to justify the funds with which they operate.

The growth of social service agencies in this country during the past century is characteristically and peculiarly American. There is little doubt that here where there has been a blending of peoples all nationalities and all races—there has developed a type of individual who is readily recognized the world over as "American." He has several distinctive characteristics - self-confidence, optimism, a certain recklessness-but one of the most marked traits is his generosity. Whether it is the hungry or maimed Italian child or the starved body of an adult that is passed unnoticed on the streets of China or India, he cannot view human suffering without wanting to do something about it.

This characteristic of concern for the more unfortunate of his fellowmen is undoubtedly responsible for the fact that public health and welfare agencies are among the really great enterprises in our country today. These agencies have developed a standard of service that is without parallel elsewhere in the world, because each year they have had put at their disposal literally millions and millions of American dollars. The contribu-

tors to these agencies make up one of the largest "publics" in the world for they, too, number in the millions. The American Red Cross received contributions last year from approximately 60 million people. The National Foundation for Infantile Paralysis, from more than 50 million. Here has been put to concrete expression the answer to the age-old question, "Am I my brother's keeper?"

Many times the question has been asked, "What are the essential differences between a public relations program for a business or an industry, and a public relations program for a social service agency? Probably the answer is, "There is no difference in techniques. There is only a difference in motivation." The business or industry exists to show a profit. The social service agency exists to serve human need. The social service agency is the channel through which the goodwill of the community flows to those who need help.

It must be remembered that public opinion is not a stable thing. It is as variable as the spring wind. Because the very existence of a social service agency depends upon constant education of the community as to the purposes and services of the agency, the individual responsibility for the public relations of such an organization must have special ability. He must be expert in estimating what the people of his community think and feel about his agency. Most public relations programs begin, and continue, with the aid of highly scientific surveys. The social service agency would find difficulty in justifying an expenditure of its funds for such a purpose, so the public relations person must develop judgment and alertness of observation to an unusual degree. With unerring skill he must recognize

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and interpret trends in public thinking as regards his agency and its work.

The ability of the public relations person of a social service agency must be of such recognizable quality that his advice will be sought in the framing of the policy of that agency. His judgment and experience must serve as a barometer if any ill-advised procedure is contemplated. He should have the confidence and respect of his governing body so that he may be authorized to carry out with maximum efficiency the program which is adopted. Yet every skill he possesses, everything he does, must be permeated by his own high ideals and must measure up to the true standard of service which is the agency's sole excuse for existence.

#### Four P's of Public Relations

Public relations of a social service agency, as with a business or industry, must be geared to "The four P's of Public Relations"—Policy—Program—Plan—and Publicity. Over, above, and beyond all of these there is—Prestige, for prestige is the lifeblood of a social service organization. The agency's opportunities for service, and the community's support which makes that service possible, are inextricably related to the development of the agency's prestige.

Now no organization can excel the quality of its leadership, so the prestige of a social service agency has its foundation in its governing body. This is usually an executive committee, an advisory board, or a board of directors. In most agencies, the governing group is made up of public spirited individuals who volunteer their time and talents and the benefit of their executive ability to direct the activities and shape the policies of the organization in which they believe. It is of paramount importance that these individuals be of such reputation, character and sound ability that they endow the agency with dignity and prestige.

The governing body should, if possible, be a true cross section of the community,

and the practices which determine the procedures of the agency should be handled in a democratic manner. Two things must be guarded against, however-professional "do-gooders" or social climbers who see in the work of a highly esteemed agency the opportunity to elevate their own social standing; and unscrupulous individuals who might seek to gain control of the agency's funds. The rules that govern the agency should provide for regular election of officers in a truly representative and democratic manner, but since the funds which have been entrusted to them are funds of public trust, to be administered with sagacity and caution. the governing body must always protect the agency against the possibility of an irresponsible group voting out the trustworthy citizens, and thus gaining control of what, in some instances, is a great deal of money.

#### A Problem Area

In these, the mechanics of the organization, lie potential public relations problems. The person who guides the public relations of the social service agency must at all times be available to give his counsel on the manner in which the mechanics function. With an organization of this kind perhaps more than any other type of enterprise, it is "Not so much what they do, but the way they do it."

Since they are themselves motivated by ideals of service, it is likely that the members of the volunteer governing body of the social service agency will set up the highest possible standards of service for the agency's operation. With their informed cooperation, they individually become the most effective public relations media-the most valuable public relations tool-the agency can have. They should at all times have complete knowledge of the activities of the organization. The person responsible for the shaping of the public relations program should always furnish the volunteer governing body with sufficient tangible results of the work they are doing so that the basic program of service will be clear to them all. He must be patient if sometimes they are slow to recognize the public relations aspects in a proposed procedure. If a public relations problem develops they should be immediately advised, for the public relations of a social service agency must be of such character that the agency is able to meet criticism, even attack, from unexpected or unfair sources without bitterness, or resorting to combative tactics. The only weapon against such attack, the only weapon against prejudice or injustice, is truth. Therefore, the governing body of a social service agency must know the full truth at all times. The members all have intimate contact with a wide circle of friends with whom their opinions have great influence. They are the agency's representatives and spokesmen in the community.

An essential part of the program of any social agency must be continuous re-dedication to the ideals for which it was created, and constant re-statement of the fact, both inside and outside the organization, that it exists solely to serve human need. There is a heart-warming attitude that permeates most social service organizations. The stigma of "charity" is rapidly vanishing. This was expressed recently by the comptroller of one of the largest health organizations. In addressing a group of state representatives of that agency, he said: "If we approach the cases with a good heart, we cannot go far wrong. Let people come to us as to a big brother, or father, not with hat in hand, begging." That from a comptroller!

If proper emphasis is laid on this philosophy there is little chance that the employees of the agency will ever fall into the error of regarding themselves as "Lord" or "Lady Bountiful," and act as if it were their personal funds they were expending! They must never forget that they and the agency itself are merely "the channel of good will."

Professional standards for social work-

ers are being elevated all the time. Training programs are continuing. These are important and will undoubtedly mean the raising of the level of social service work throughout the nation. Important as this is, however, it is perhaps not as vital a factor as is the personality, the consecration, the downright "humanness" of those employees who are the agency's contact with unhappy, bewildered, sometimes ill, individuals who need help.

#### No "Bruised Egos"

Above all, the employees of a social service agency should not be warped, frustrated individuals who have themselves failed to make satisfactory adjustment in their own lives, and who find in the social service environment a palliative to their own bruised egos. They should, if possible, be young enough to have the eagerness to serve, and experience enough to have judgment. (We know, of course, that judgment is not always a matter of age.) The comment recently overheard, "They cannot be expected to do anything in which judgment is a factor" certainly does not apply to social workers, for judgment is, perhaps, the one indispensable element.

Perhaps the greatest danger in any social service agency is that the policy and program may go to either one of two extremes. It may be so parsimonious that needy people are turned away without aid; or, the assistance may be given in such a wave of emotionalism that it is without permanent value to the individual served. The milk of human kindness seems not to be so rare an ingredient, but the understanding heart may be. It is easy to pour out one's sympathy and assistance to any who come to us in need, but it takes an understanding heart to know how that assistance can be given without injury to the self-esteem of the recipient, or without encouraging dependence on the part of the occasional shiftless, irresponsible applicant.

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should verning ults of includes in its program the development of close cooperation with similar agencies in the community. The wisdom of this is apparent. The reason is twofold. It means the best and most complete assistance for the needy applicant, and it means less chance of a duplication of service with its concomitant waste of money, time and energy. Here again there are two extremes, both socially wrong, both with inherent public relations problems. In an effort to be "cooperative" an agency may shirk its full responsibility and "refer" the applicant elsewhere, or, an agency may be so zealous in its effort to build its own base of operations that it may refuse to enlist the cooperation of other agencies in the community who might give to the applicant a more complete and effective type of service than it alone can possibly afford. Consequently, the social service agency executive must constantly seek to build goodwill for his agency among other social service personnel, and must himself never fail to give his full and friendly cooperation to them.

#### The "Professional Public"

Another "public" of the social service agency is the professional personnel by whom the needy applicant must ultimately be served. These are the nurses, the doctors, the physical therapists, the vocational guidance experts, the occupational therapy specialists. It is imperative that the relations between the social service agency and these people be of the finest. The professional must know that the agency respects the high ethics of his profession. The agency must realize that without the skill and cooperation of the professionally trained technician, its purposes and functions would become futile and impotent.

And now we come to the heart of the subject—the real reason for the existence of all social service work—the needy applicant. The philosophy which must motivate the contact with this "public" has already been indicated. The techniques of

service are pretty generally accepted by all who do social service work. They  $d_0$  not differ greatly from the attitudes which should permeate all human relationships in business or socially. The philosophy is sometimes ignored, and the techniques are sometimes badly applied in social service work, as in other activities, so there must be a constant re-evaluation, a frequent measuring-up to our ideals so that the service may constantly be made more effective.

#### Applicant Most Important

The properly motivated social service agency seeks constantly to widen the base of its service. This means an active case finding program. It means the offer of service before it is asked. It means educating the public—all the public—to the services that are available. This offering of service, in the spirit of warm, friendly generosity, will create for the agency a residue of good will that can be secured in no other way.

It is imperative that everyone connected with the social service agency realize that the most important piece of equipment around that office is the applicant. If he did not need help, there would be no excuse for the agency's existence. He is not, then, to be kept waiting. He is not to be hurried through an interview. He is to be treated with gracious courtesy. He should feel that here he has found someone who really cares about his problem, and the interview should be conducted in such a manner that he feels that he is one of two people who are discussing a mutual problem-and that problem is his need. It certainly goes without saying that the interview, in fact all of the case records of the agencyare kept in strictest confidence. If this attitude permeates the procedures of a social service agency, it need not be too concerned as to whether or not the community will continue to support it, for every person who is served in this spirit of courtesy and respect will automatiThey do attitudes an rela-

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This brings us to the fourth "P" of public relations—Publicity. For the successful social service agency, this is closely related to "education," for while we think of publicity in terms of newspapers, magazines and radio, these are themselves media of education.

Perhaps the unique characteristic of publicity for a social service agency as compared to a business or industry is that if it is properly timed—if it is at all "newsworthy"—the publicity media such as newspapers and radio will want it. This is so because the newspaper recognizes its social responsibility to the community, and also because in social service agency publicity there is that priceless ingredient from the newspaper's point of view—human interest.

However, the press relations of a social service agency must reflect the same high standard of ethics as do its other practices. News space should be expected only when there is a newsworthy story to offer. During fund raising appeals when publicity is most vital to the agency, the newspapers are usually willing and eager to publicize the work of the agency as a community service. The agency should then make a special effort to furnish all of the information the newspapers can use, and express appreciation for the cooperation they are receiving. This information should be forthright and sincere with no facts withheld.

#### Handling Criticism

This brings us to a discussion of the procedure to be followed should the agency come under unjust attack or criticism. This is likely to happen at any time no matter how successful or how effective the agency is in the community. Any controversy is "news" to the newspapers. Any argument is "news"—but there is nothing sensational about "service." The temptation, of course, when one is unfairly attacked is to fight back, but

the temptation to engage in a newspaper "brawl" should be avoided if at all possible. Not because the agency is in the wrong. That is seldom the case. Not because the agency is afraid to tell the facts. That is seldom true. But because unless every member of the community read every edition of every newspaper he is bound to have incomplete information on the subject. And incomplete information can give as distorted a picture of the truth as downright misstatement of fact. There is another reason why newspaper controversies should be avoided if at all possible. It is likely to create a feeling of lack of confidence upon the part of the community which will reflect itself on all social service agencies. This will, of course, have its ultimate effect-the most important consideration of all-it will hurt the very person for whom the agency exists—the person who needs help.

#### Fund Raising No Different

Nothing has been said up to now about the public relations of a social service agency as they apply during the regular fund raising campaigns. Obviously, this is not because they are unimportant, but because they are no different than at any other time! The techniques of fund raising are pretty generally known. The mechanics of the direct mail campaign, the organization of volunteer solicitation, the training of a speakers' bureau, the attention-getting events that characterize all fund raising, vary only with the skill of those engaging in that work. Their success, however, will depend to a parallel degree on the quality of the service which the agency has rendered all through the year, and upon the effectiveness of the educational program which should have been carried on in the community all through the year.

The public relations of a social service agency are, then, an all-year job. They are more than that—they are a daily—an hourly job—for one telephone call

(Please turn to page 38)

## Public Relations for Banking

By EDWARD B. STURGES, 2nd Public Relations Counsel, New York City

Banking is generally looked upon as having lagged behind most other industries in good public relations, but the Savings Banks Association of the State of New York is at least one exception to the general rule. It is unique not only in the financial field, but also among other trade associations for its development of sound public relations for its industry.

Among its unique characteristics, the Savings Banks Association enjoys the 100 per cent active membership of the 131 mutual savings banks in New York State, even though these range in size from small country banks having only \$2 or \$3 million on deposit to such institutions as the Bowery and Emigrant Industrial Savings Banks, each with assets topping \$600 million.

The Association has for many years regarded public relations as a number one activity and was one of the first trade associations to recognize formally the professional standing of public relations. As far back as 1932 the Savings Banks Association retained outside public relations counsel to advise its officers and staff, and

it has retained such counsel continuously ever since.

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Although the savings banks serve millions of people, they have enjoyed amazing immunity from public criticism during these years. In fact, it is so rare for the savings banks to receive any degree of public criticism that one could fully expect them to be lulled into a feeling of smugness and complacency, especially since they are mutual institutions with no driving profit motive. But instead of complacency, there has been a steady record of progress. Largely as a result of safeguards they set up themselves, no New York State savings bank failed even during the depression of the thirties. Further. in the past five years, their savings deposits have increased 65 per cent, to over \$9 billion, and the number of depositors from 6 million to 7 million, in a state with a total population of about 14 million. In addition, the savings banks have organized their own trust company, which not only renders very valuable services to them but also pays a handsome return on their investment in it. They have organized their own retirement system for savings bank employees. Eight years ago they established low-cost over-the-counter life insurance and now have \$90 million in force. In 1944 their association was designated as the outstanding state trade association for its leadership and meritorious service.

The organization of this trade association is not far different from many others, with its headquarters staff, voluntary officers, committees, forums and local geographic groups, but at least a part of its success may be attributed to the fact that it has rigidly adhered to the one cardinal principle that its number one public is the membership itself and that seven of its eleven standing committees are con-

EDWARD B. SURGES, 2nd was born in Scranton, Pennsylvania, 1905. He received his education at Taft School, Watertown, Conn., and Yale University (B.S.), 1928.

From 1928-35 he was an investment specialist with the City Bank Farmers' Trust Company; 1935-37, public relations with Harold F. Strong Corporation. Later in 1937 he became vice-president of the public relations firm, Lyon, Sturges and Company, Inc., and since 1939 has served as president and treasurer of his own public relations organization, Edward B. Sturges, 2nd, Inc. He is a member of the American Council on Public Relations and the Yale Club. In 1944 he received the ATAE award.

cerned with one or more aspects of public relations, with only four devoted to the strictly technical aspects of the business.

Good public relations for an industry requires sound policies and practices within the industry. Therefore, a trade association must have the full support, confidence and respect of its members if it is to be an effective influence in policy formation or in guiding sound practices.

The Savings Banks Association has accomplished this by impressing constantly upon the membership that no one bank can be stronger than the system as a whole and that the Association is their cooperative organization through which they work for betterment of their banking system. The Association likewise follows two basic principles in its relations with members: first, not to interfere with management in the conduct of the individual bank; and, second, to maintain the widest possible participation of members in Association activities, at the same time developing only such projects as will be constructive and where accomplishments will result in pride of attainment to the individual. As a result of these policies, it is considered an honor, as well as a responsibility, to accept a committee appointment. Thus, the Association has established a structure of active committees, each with a definite assignment, and each supported by a specialized forum through which junior officers and employees may gain further education or freely exchange ideas. One or more members of the staff are assigned to each committee and forum to keep the ball rolling and to guard against possible lag of interest by the membership. Periodic group meetings, plus a weekly news sheet, are the primary means of keeping the banks informed. Special bulletins provide more detailed information.

#### Wide Variety of Publics

A statewide mutual banking system safeguarding the savings of 7 million de-

positors naturally has a wide variety of specialized publics with which its Association must be concerned. These include not only the seven million depositors and mortgage borrowers-who are found in every imaginable social or economic group—but also supervisory authorities, both federal and state; local administrators, legislators, trustees, employees, competitors, and a variety of "special-purpose" groups. The determination of overall policies, services to be offered, practices to be adopted, normally involve—in addition to the all important question of public service-consideration of each bank's management and its trustees, as well as the attitude of both federal and state supervisory authorities and, frequently, legislators. In any given year the Association may have five or more bills before the legislature for expansion or improvement of bank services and may also be required to follow at least 200 to 400 more which in one way or another affect savings banking.

#### Procedure

All such matters channel through the Executive Committee Officers and Headquarters Staff under a carefully planned program, after the research and development has been completed by the committee assigned to the project. These committees include Service Development, Mortgages and Real Estate, Employee Relations, Legislation, Life Insurance and Public Information. Liaison is maintained with supervisory authorities so that the reasons for a desired change or modification of regulations are fully understood by them and so that the Association will know in advance to what extent they will support any necessary amendment to the law. Competing or opposing groups are also contacted, and, where possible, solutions worked out privately to avoid possible public controversy. Representatives of the press are kept fully acquainted with any change in the savings banks' position or services,

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and the Senators and Assemblymen, themselves, are made cognizant of the underlying reasons for Association sponsorship of, or opposition to, any particular bill which may be up for consideration.

#### A Public Relations Example

To illustrate the public relations operations of the Savings Banks Association, let us take the specific case of home loans to veterans under the "G. I. Bill of Rights." Two years ago, when the Bill became federal law, it was immediately necessary to determine whether the New York State law governing savings banks permitted them to make such loans and, if so, under what terms. It was quickly found that the savings banks could not engage in this important aid to veterans and it was the responsibility of the Mortgage Committee to recommend changes in the law which would overcome this difficulty on a sound and practical basis. Their recommendations were then discussed with the State Superintendent of Banks and a proper bill drafted for introduction to the Legislature. Memoranda were then prepared to give the facts to the legislators and, at the same time, a series of meetings were arranged for banks throughout the state at which both the technical provisions of the law and the public relations aspects were clearly explained. Local representatives of the Veterans Administration, the American Legion, and other veterans organizations were invited so that they would understand the problems confronting savings banks as well as learn of their desire to be of the greatest possible aid.

Later, when any criticisms were received of the savings banks' manner of handling home loans, the Association first investigated whether they were isolated cases of bad handling by one or two banks or whether it was the result of a general misunderstanding. In the first instance, the matter would then be taken up with the management of the institution involved and cleared up with them. In the

case of the general misunderstanding it was explained that the savings banker could not conscientiously overlend his depositors' money and, at the same time saddle the veteran with a loan which would cause undue hardship on him. In this second situation, three steps were taken: 1) reviewing the facts with the criticising parties; 2) discussing the entire problem of overlending, and the dangers involved, with the Veterans Administration and various veterans organizations; 3) informing the press concerning the situation, both through informal conversations and by a statement from an authority on the subject.

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Thus far this report has dealt primarily with the less frequently discussed aspects of public relations—determination of policy and "behind the scenes activities."

No less important, although more spectacular, is telling the story to the public. One aspect has been touched upon slightly—that is press relations. The Association, although it sends out stories on important events, deposit trends, annual meetings, significant speeches and the like, places greater emphasis on maintaining a week-to-week, or day-to-day, contact with the press as to important developments—serving as an information center rather than a publicity bureau.

#### Pays Dividends

That this procedure pays dividends is evidenced by the fact that this winter the press supported a certain bill, sought by the savings banks, with over five full pages of news stories plus editorials in most of the state's leading newspapers. Although the bill was strongly, and probably unwisely, opposed by a very powerful lobby, no publicity unfavorable to the savings banks was run. Although the bill was defeated by a narrow margin at the last moment, it was the consensus that the favorable attitude toward savings banking, as evidenced by the press, more than offset the legislative defeat.

By no means least of the Association's public relations activities is its statewide cooperative promotional campaign to impress on the people of the state the importance to them and their communities of savings and of savings banking. The program, first undertaken in 1942, recognized that savings and the institution of savings banking were fundamental to American democracy, and that the banks had the responsibility of impressing this fact on the public.

This campaign, which is still continuing, has utilized virtually every available tool at a public relations man's disposal for telling his client's story. Newspaper advertising forms the backbone of the campaign, with up to twenty ads a year appearing in 100 newspapers with a combined circulation of over 81 million. Programs on 8 radio stations 3 to 6 times a week reiterate the newspaper story, but with the announcements keyed to timeliness and popular interest. The campaign is further packaged by promotional helps to participating banks. These include lobby displays, posters, booklets and decalcomanias, all keyed to the basic advertising theme.

#### Motion Pictures

Supplemental to these have been the production of two 20-minute moviesone, institutional in character to illustrate the position of savings banks in the scheme of community life; the second to show the value of savings to the individual. The plan of distribution is to encourage individual bank's sponsorship of showings to schools, clubs, and church groups in their neighborhood, frequently supplemented by a talk from a bank representative. This has the effect of personalizing both the film and the sponsoring bank as opposed to the perhaps larger audiences available through theatrical distribution. Nonetheless, in a scant five months, the second film has been viewed by a quarter million people.

The promotional campaign has been conducted as carefully as science and the available funds permit. It is backed by two Roper surveys on "The People's Attitude Toward Savings" made during the last five years. It is tested by newspaper readership surveys of each new copy theme as it is developed, and by frequent offerings made over the radio programs to measure their respective pulling power. Further proof of the program's effectiveness lies in the continued gain in dollar savings and new depositors (both at the highest levels in history), by the innumerable awards received by the Association, by the constantly increasing volume of correspondence addressed to the Association from the public, and by the markedly increased recognition accorded savings banking from every quarter. One simple mailing piece entitled "Spend, Sucker, Spend"—on wartime spending—reached a nationwide circulation in excess of 25 million, including use by Macy's department store as a full page ad. Another booklet, "So You Want to Own a Home," quickly exhausted a 200,000 print order. "An Employment Directory to Jobs" (to help displaced war workers and returning veterans find the right kind of employment) brought plaudits from job counselors, civic leaders, college presidents.

#### A Case History

But this is not just the story of how a banking system told its story to the public; it is a case history of public relations at work; of how the heads of 131 banking institutions, more concerned with protecting people's savings than with merchandising their wares, have recognized the value of public relations and through their Association have developed a completely integrated program, starting with determination of policies and practices for the savings banks system, through relations with their various special publics from employees to government authorities, and finally to a campaign to inform and sell the public at large.

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### THESE NEOPHYTES ARE THINKERS

By ARTHUR J. C. UNDERHILL

Public Relations Consultant, New York City

FOR SEVERAL YEARS management has been admonished to "speak up" and tell its story. The advice might well be revised to read "wake up," for there is a new crop of executives in the embryo—youngsters who are thinkers; who are conscious of the social responsibilities of management—and who are doing something about it.

These neophytes are the thousands of students of both sexes who are enrolled in business administration courses at our American colleges. Many are former GI's, the most serious of all students; others are employed people, enrolled in evening courses in the quest for additional degrees or a background which may lead to progress on the job in hand. Their interest in public relations, as a necessary tool of management, has shown an amazing growth.

This interest is understandable. The experience of the past few years has demonstrated that no organized human effort may succeed without applying the principles of public relations to every operation and decision. With nearly half the time and effort of working Americans devoted to interpreting or otherwise explaining all aspects of the world in which we live, people have become quite conscious of the impact of public relations on the formation of their judgments and evaluations. It is natural then, since business now lives in a fish-bowl, that students of business administration should want to know something of the techniques and skills required to earn the public good will so essential to the success of an enterprise. And so public relations has become a glamour subject, with thousands looking for the "open Sesame."

Throughout the country there are now twenty-nine colleges and universities offering upwards of forty-five courses

labeled "public relations," according to Dr. Alfred McClung Lee in a recent sur. vey. For the most part, these courses are introductory. Exposure to the subject is broad rather than intensive. The expectation is, of course, that the students will explore further those phases which most interest them and for which they may demonstrate some aptitude. They are thus conditioned through case studies and experiences in underlying policies and actions which may eventually cause them to enter the field of public relations professionally. In any event, the way is paved for broader opportunities in executive management—and in their everyday jobs, in the case of evening students.

That much is indicated by a study of course outlines. While considerable guidance is evidenced in the nature and techniques of public relations, more and more the emphasis is being placed on the requirements of character and judgment—and the necessity for experience—before one can become competent in the field. Public relations professionals are encouraging the teaching of ethics and good business practices on the ground that sound adherence to those basic elements is equal in importance to knowledge of practical techniques.

There shall be no attempt here to evaluate the merits of the various courses. Suffice it that, like the public relations field itself, the outlines reviewed are marked by variety rather than uniformity. The main purpose, it seems agreed, is to give a broad concept of the subject. In several instances the courses include study and appraisal of management problems, and clinical discussion of what to do about them. Through subsequent work the student is encouraged to acquire a proficiency in skills which are necessary for top-flight efficiency. In the absence of

recognized standards, definitions and procedures, it is obvious that each course being offered represents the individual concept and/or experience of the instructor. Accordingly each course must necessarily become a *thinking* experience with full use made of the case method.

It is in the field of evening courses that we find the most interesting developments. Here, it must be recognized, each student is employed during the day, and since he or she is usually taking a variety of subjects toward a degree, there is a minimum amount of time available for outside study.

Public relations is more of an art than a profession and art is mastered only by doing. What is more practical, therefore, than to make case studies from the student's own every day job? This procedure not only strips the case of theoretical application, but gives the student an opportunity to utilize a set-up already familiar to him-making the study at once both practical and interesting. This method provides an immediate specific understanding of how public relations works and presents interesting job-improvement potentialities as well. In short, the student may learn by doing-right on his own job. City College of New York has had some interesting experiences along this line for which the students have expressed considerable enthusiasm.

#### First Things First

Of course the student is first oriented for adequate background. He is drilled in the history and development of public relations—what it is and what it is not; its importance in every day business; and the fact that it begins at the policy stage. Business enterprise is shown in its major segments, and the interrelationship and interdependability of one with the other are established. The student is taught the philosophy which places the broad interest of "the public" first in every operation and decision affecting a business. Objectives and policies toward achieving

them are discussed; the business "publics" are analyzed as to who they are—what they think of a particular company or industry—how they express their opinions—what the enterprise wants them to think—and how to go about guiding that opinion. This necessarily involves a study of media and methods—what is best to use, when and how often—and techniques of measuring public opinion.

With such a background, the student is ready to tackle the public relations project closest to his interest—his own job. The final step is participation in the development of an overall program and the evaluation and measurement of results.

#### Public Relations "At Home"

A specific course I have in mind is a "thinking" course, not confined to the usual parroting of textbook material and definitions. The emphasis has been placed on individual judgment, particularly since judgment occupies such an important place in all public relations. At this point in the student's life his judgment cannot adequately be measured in terms of experience, but it can reflect his thinking ability and imagination.

On such a premise, one mid-term project was set up on these lines:

1) In what line of endeavor are you employed? (For orientation of the Instructor in appraising the paper.)

- 2) On the assumption that everything can be improved—and regardless of whether your enterprise has a department of public relations now functioning—what, in your judgment, is the greatest public relations need of your enterprise?
  - 3) What is the basis of this belief?
- 4) If you were the public relations director, what would you recommend be done about it?:
  - (a) As to policy
  - (b) As to a definite line of action
  - (c) Toward what objective.
  - 5) Indicate how your recommendations

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6) What secondary benefits will result from your plan?

These are fairly comprehensive questions which tend to test the thinking of the students rather fully. Since no two enterprises have the same public relations problems, nor any two students the same approach, each project is completely individual. Further, no time is wasted in recanting definitions, or paraphrasing textbook data. Grading is based on 1) appraisal of the problem; 2) judgment in handling the problem; 3) feasibility of the program suggested, and 4) organization of the whole project.

Incidentally, the questions were given orally, one at a time, with a time limit for each. There was no prior hint as to nature of the questions, and desks were cleared of all reference material. In other words, every student was "on the spot," and forced to think his way out.

While the student group included a few graduates, some former GI's and other non-matriculated students, none had reached a position in management. Nevertheless, the general "savvy" of corporate affairs evidenced in the papers was amazing. Unfortunately, time and space do not permit reproduction of the papers here. The ability to recognize and analyze management problems was proof sufficient that these neophytes are thinkers. Their demonstrated abilities to weigh the problems and suggest practical remedies were definitely on an executive level. These neophytes, many of whom will be represented in the ranks of management sometime in the future, recognize the need for public relations as an organized tool of management, and are learning rapidly how to use it. Understanding now may have an important bearing on the future course of public relations.

#### Major Programming

The results of this application of public relations to the individual's immediate job proved so successful that a broader project was developed. This was designed to bring into play every phase of public relations in a grand overall program in which every member of the class could participate as a functioning unit.

#### "Company" and "Counsel"

The class was divided into two sections—one-third constituting "the company," the remaining two-thirds becoming "public relations counsel."

The function of the "company" group was to set up the problem or case study. Obviously, the function of the "counse!" group was to devise a program to solve the problem, with the "company" group—true to life—challenging every proposal, so as to bring out the reasoning behind each project in the plan.

Without interference from the instructor, the "company" group set up on paper, a mythical corporation—each member of the group being an officer. The various elements of the "company" embraced practically every kind of problem ordinarily experienced in modern business. "Allied Textile Corporation" was the title, its business being the manufacture and converting of rayons. This setup embraced every activity in textiles—manufacturing and processing, wholesaling and retailing, competition with other fibers, ramified customer relations, etc.

Stock of the corporation was represented as listed on a stock exchange, with control in the hands of a few. The company wanted to issue additional stock to finance capital expenditures. This premise involved dealing with stockholders, the exchanges, brokers, statistical services, SEC, etc.

The mythical plants were located in both the North and the South, to bring out geographical problems in labor, distribution, etc. The company went into considerable detail to describe products and operations, competition, machinery and equipment. It analyzed differences in employee conditions at the several plants,

wages, union activities, company-provided facilities, etc. The annual report to stockholders and the monthly magazine for employees also were carefully delineated, as too, the company advertising program. In fact, almost every element of a business was detailed—together with the problem relating to each.

Here are a few lines from the problem—and please remember these are students speaking, not executives of major

corporations:

"It has been suggested that we set up a Consumer Service Section, as many of our competitors have this more direct contact with the customer. Is this a necessary adjunct to our business?

"Community generally seems to have feeling we are operated for benefit of N. Y. 'big shots' and are only interested in local workers grinding out as much production as they can. Survey of schools showed less than 5 per cent of graduating class considering work with our company (the only industry in the community). How to engender feeling that we are an enlightened, progressive company and create friendlier feeling in community?

"Employee turnover too high. Would like better type. Are trying to promote idea 'Make Allied Your Career.' Considering starting training courses. Would like specific recommendations as to how we can attract and keep more desirable workers.

"Would like better understanding between our employees. Indicative of lack is our cafeteria situation. Before set up, asked workers if they wanted and would use one and 90 per cent said 'yes.' Less than 40 per cent now use it.

"We want to give workers various benefits and not have them feel they were forced from us by unions. How can this be accomplished?"

From this sampling it is apparent that the approach was a practical one and the questions ran deeper than might ordinarily be expected from students. The entire problem was documented in eight pages of closely typed self-analysis that would have done justice to professional management.

The balance of the class organized into "City Associates," a public relations firm of the counselling and service type, and divided into smaller groups to specialize in various segments of the project. Finally, the different pieces were put together on a tentative basis, to give a view of the whole picture. From there on every item went through a clinical discussion and analysis to assure its justification.

Ultimately, there emerged a "program." Following an introduction which defined the "need," the general aims were established; the "publics" were analyzed; policies and actions were projected; methods and media were indicated, and finally the cost was budgeted.

What I started out to say was that today's students of business administration have set good public relations as requisite to business success. In fortifying themselves with the theory, plus actually getting their teeth into practical experience, the coming crop of executives is thinking away ahead of many incumbents.

ARTHUR J. C. UNDERHILL, prior to entering public relations, spent some 20 years in business and financial journalism culminating in his position as treasurer and general manager of Boston News Bureau, the New England affiliate of Wall Street Journal. After a tour of duty with a leading New York public relations firm Underhill became Director of Public Relations for Rayonier, Inc., the position he recently resigned to serve in a consulting capacity. He is a Director of the National Association of Public Relations Counsel; and President of Publicity Club of New York.

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#### INDUSTRY'S PUBLIC RELATIONS: ARE THEY GOOD ENOUGH?

(Continued from page 22)

employee. In his excellent book, Sharing Information With Employees, (Stanford University Press, 1942), Alexander Heron has not only carefully evaluated employee media but also subject matter of interest to employees. His convictions on employee media are well worth reporting. Each of the ten or twelve possible media, he feels, has its strengths and its weaknesses. In the final analysis, however, he soundly reports that the line supervisor should be the means of bringing most of the information to employees.

In sharing information with employees it is well to remember that the employee wants to know about his own company in terms of his own security and well-being. He is not interested in abstractions. He is not interested in "canned" messages on the glories of "Americanism." He is in-

terested in the facts if they are presented clearly and warmly. Why not present them?

Public relations responsibility of business covers a host of relationships employee, customer, stockholder, community, government, and others. All are important, none can be ignored. But because employees can, if they so choose, easily vote free enterprise out the window, and because all responsible surveys have proved that they regard management with suspicion and, in many cases. hostility, it is only common sense for management to make special efforts to improve employee relationships. As real progress is made with employees, industry's public relations will start to become as good as they need to be.

#### THE CHANNEL OF GOOD WILL

(Continued from page 29)

handled unwisely, one interview conducted harshly, one ill-advised statement from a member of the governing board or the executive, may plant the seed of a situation that may grow into something that would be extremely difficult to correct.

But it's worth it. The person responsible for the public relations of a social service agency is fortunate indeed. His is the deep and abiding satisfaction of iden-

tification with a creative force that serves humanity. This pays a "bonus" in happiness which is quite apart from any figure on the pay check. His is a grave responsibility, however, for in his hands is the opportunity, and to his heart is given the challenge to create in his community an acceptance of the philosophy expressed by Bruce Baxter, "The measure of my responsibility is my neighbor's need."

NAOMI D. WHITE (Mrs. Richard M.) was born in Illinois, but went to Missouri as a small child where she remained until 1919 when she came to California. She completed her education in the west with work at the University of Southern California and the University of California at Los Angeles. In 1921 she became assistant cashier for the California Western States Life Insurance Company, the position she held until her marriage. Following time-out to make a home and rear a son (now at Stanford University), she returned, in 1943, to the business world in her present capacity. In 1945 she was secretary of the Los Angeles Chapter of the Council and has been a director since 1946.

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#### SOME COUNCIL POLICY CHANGES

(Continued from page 1)

T. J. Ross, Ivy Lee and T. J. Ross, Public Relations Consultants, New York City.

REESE TAYLOR, President, Union Oil Company of California, Los Angeles.

E. A. Waite, Manager, Public Relations, Standard of California, San Francisco.

The Constitution and By-Laws of the Council provide that members shall elect five trustees each year, at the annual membership meetings; and that the Board of Trustees shall elect from their members officers of the Council each year. Thus in order for any of the above persons to be considered for the Council presidency, he would first have to be elected a

member of the Board of Trustees.

Several of those who have been suggested for the presidency are not Council members and hence are not eligible for consideration by the membership at the next annual meeting on May 20.

But the Executive Committee suggests that the names of those in the list who are Council members and are not already trustees, be submitted with the names of the five trustees retiring from the Board this year, for consideration as trustees. Those eligible are: Robert Henry, George W. Kleiser and Virgil L. Rankin. The five retiring trustees are: Verne Burnett, Mrs. Hazel Ferguson, Rex F. Harlow, John E. Pickett and Ordway Tead.

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# Books for Public Relations Directors and Business Executives

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